NCA
VOC FOR PGM/FN
-BACKGROUNDER NO. 5-6079 AUGUST 11, 1978
FRED BROWN/NEW DELHI

MISTER DESAI'S SON HAS TROUBLES TOO

ANNCR:

IN INDIA, PRIME MINISTER MORARJI DESAI HAS COME UNDER HEAVY PRESSURE TO AGREE TO AN INQUIRY INTO ALLEGATIONS OF CORRUPTION AGAINST HIS SON. CORRESPONDENT FRED BROWN HAS THIS BACKGROUND REPORT:

VOICE:

ALTHOUGH NO CHARGES HAVE EVER BEEN MADE OFFICIALLY AGAINST FIFTY-ONE YEAR OLD KANTI DESAI, ALLEGATIONS OF WRONGDOING HAVE APPEARED FROM TIME TO TIME IN VARIOUS NEWSPAPERS. THE STORIES HAVE SUGGESTED IRREGULARITIES IN THE YOUNGER DESAI'S INCOME TAXES, AND HAVE IMPLIED THAT HE HAS BENEFITTED IN VARIOUS WAY FROM SPECIAL TREATMENT AS A RESULT OF HIS RELATIONSHIP TO THE PRIME MINISTER.

THE NEWSPAPER ALLEGATIONS AGAINST KANTI DESAI RECENTLY WERE LENT SOME DEGREE OF CREDENCE WHEN FORMER HOME MINISTER CHARAN SINGH SUGGESTED THAT AN OFFICIAL INQUIRY MIGHT BE JUSTIFIED. MISTER SINGH'S SUGGESTION, WHICH WAS MADE IN A EXCHANGE OF LETTERS WITH THE PRIME MINISTER, WAS PART OF A GROWING FEUD BETWEEN THE TWO MEN WHICH LED TO MISTER SINGH'S DISMISSAL FROM THE CABINET. THIS BECAME CLEAR LAST WEEK WHEN OPPOSITION MEMBERS FORCED THE PRIME MINISTER TO TURN THE CORRESPONDENCE OVER TO PARLIAMENT. IN HIS LETTER MISTER DESAI INSISTED THERE IS NO PRIMA FACIE CASE OF CORRUPTION AGAINST HIS SON AND HE SAID HE WOULD NOT AN INQUIRY ON THE BASIS OF VAGUE NEWSPAPER REPORTS. FOR THE SAME REASON HE DECLARED ACIDLY THAT HE WOULD ALSO NOT BE

JUSTIFIED IN ORDERING A PROBE OF SIMILAR ALLEGATIONS AGAINST MISTER SINGH'S FAMILY MEMBERS.

WHILE MISTER DESAI HAS NOT BUDGED FROM THIS POSITION, THE DEMANDS FOR AN INQUIRY HAVE CONTINUED TO GROW. MOTIONS CALLING FOR INQUIRIES INTO BOTH SETS OF ALLEGATIONS WERE INTRODUCED IN PARLIAMENT THIS PAST WEEK. AND ONE SUCH MOTION WAS ALREADY BEEN APPROVED BY THE UPPER HOUSE.

THE MOVE HAS TAKEN ON ADDED SIGNIFICANCE IN VIEW OF A THREAT BY SUPPORTERS OF MISTER SINGH TO VOTE WITH THE OPPOSITION ON THE ISSUE. MISTER DESAI IS BELIEVED TO HAVE ENOUGH SUPPORT IN THE LOWERHOUSE TO BLOCK AN INQUIRY, BUT HE MAY FIND IT EMBARRASSING TO DO SO, ESPECIALLY SINCE SOME OF HIS STRONGEST ADMIRERS ARE SAID TO FEEL AN INQUIRY MIGHT BE THE BEST WAY TO CLEAR THE AIR. MEANWHILE, BY FAR THE BIGGEST GAINER IN THE SITUATION HAS BEEN FORMER PRIME MINISTER INDIRA GANDHI AND HER BACKERS WHO HAVE EXHIBITED UNRESTRAINED PLEASURE OVER THE AFFAIR. IT WAS SIMILAR ALLEGATIONS OF FAVORITISM BY MISSUS GANDHI TOWARD HER SON, SANJAY, THAT, MORE THAN ANY OTHER FACTOR, WERE BLAMED FOR HER DEFEAT IN THE 1977 GENERAL ELECTIONS.

WJL/PY